THE HON'BLE SRI JUSTICE L.NARASIMHA REDDY

W.P.No.14971 of 2007

Between:

P.Pullaiah.

.. PETITIONER

AND

A.P.State Road Transport Corporation and others.

.. RESPONDENTS

ORDER:

The petitioner was awarded a contract to run canteen at Zonal Staff Training College, Kurnool, on 24-03-2007, for a period of three years and a security deposit of Rs.60,000/- was made. The petitioner submitted a representation, dated 08-06-2007, to the respondents stating that the bills payable to him for the food supplied to the trainees were not cleared and made a request for immediate release thereof.

The respondents issued a show cause notice, dated 11-06-2007 to the petitioner pointing out several instances of deficiencies in service and required him to explain within 24 hours as to why the contract shall not be terminated and the E.M.D. shall not be forfeited. On 12-06-2007, the petitioner submitted a letter denying the allegations. He further stated that if he is given adequate time, he would deal with the individual allegations. Thereafter, the respondents terminated the contract of the petitioner on 20-06-2007 and forfeited the E.M.D. On the next day, notification was issued inviting tenders for the contract. The petitioner challenges the action of the respondents.

Heard Sri S.Girimoji Rao, learned counsel for the petitioner and the learned Standing Counsel for the respondents.

Within short time from the date of award of the contract, disputes arose between the parties. While the petitioner submitted a representation on 08-06-2007 complaining that the bills were not paid, respondents issued a show cause notice listing out more than dozen instances of deficiencies in service. Having received the show cause notice, the petitioner did not submit any

detailed explanation. The letter, dated 12-06-2007, submitted by him is silent, as to the extent of time he needs to submit reply. The respondents waited till 20-06-2007 and ultimately cancelled the contract. The petitioner is not able to point out any serious procedural irregularity or factual inaccuracy so as to convince this Court to interfere.

Learned counsel for the petitioner submits that atmosphere is no longer conducive for the petitioner to continue the canteen and atleast his E.M.D be directed to be released and the bills be cleared.

Learned counsel for the respondents, on the other hand, opposes the request.

Having regard to the facts and circumstances of the case, the writ petition is disposed of upholding the proceedings, dated 20-06-2007, terminating the contract of the petitioner and the tender notice, dated 21-06-2007. The respondents are, however, directed to settle the bills payable to the petitioner and refund the EMD after deducting amount, if any, for damages suffered to the premises, etc., within a period of six (06) weeks from the date of receipt of a copy of this order. There shall be no order as to costs.

_____

20-08-2007

Prv